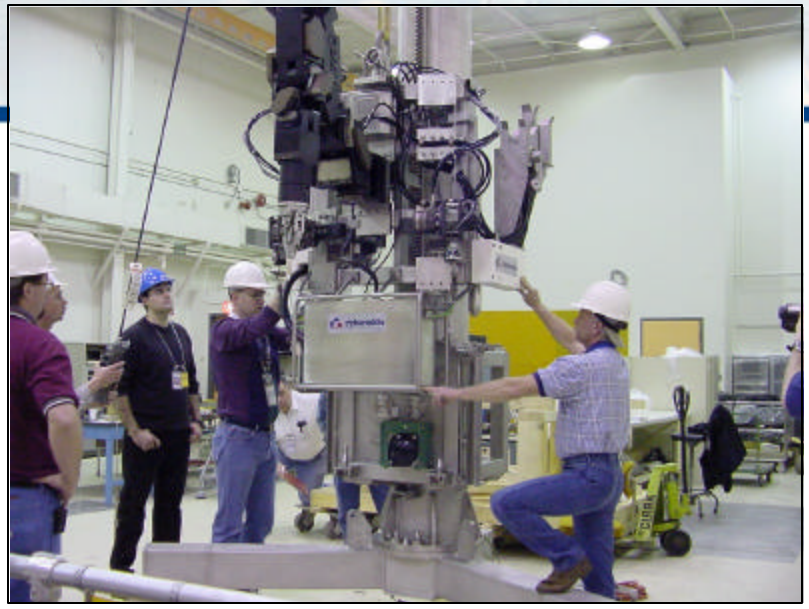


Section A

Executive Summary

INTRODUCTION

This section of the report is intended to provide Management with an executive-level summary of the most noteworthy performance information to date. All information is as of the end of July 2002, unless otherwise noted.

The section begins with a description of notable accomplishments that have occurred since the last monthly report and are considered to have made the greatest contribution toward safe, timely, and cost-effective clean up. Following the accomplishment section is an overall fiscal year-to-date summary analysis addressing cost, schedule, and milestone performance. Also included in this section is a contract to date performance table. Overviews of safety ensue. The next segment of the Executive Summary, entitled Breakthroughs and Opportunities for Improvement represents potential significant improvements over the established baseline. The Critical Issues section identifies the high-level challenges to achieving cleanup progress. The next section includes FY 2002 EM Corporate Performance Measures. Concluding the Executive Summary, a forward-looking synopsis of Upcoming Planned Key Events is provided.

Note: Milestones tracked and reported in the Executive Summary are FY2002 Contract Milestones and consist of two Department of Energy levels. In descending order these levels are 1) Department of Energy-Headquarters (HQ), and 2) Richland Operations (RL). Because it is also useful to distinguish milestones based on specific drivers, the Site applies a designation for those milestones created or tracked to meet the requirements of Enforceable Agreements (EAs). When a milestone satisfies both an EA requirement and a milestone level, it is categorized as both. However, in order to avoid duplicate reporting, this report accounts for each milestone only once. Where an overlap exists between EA and a level (i.e., HQ or RL), the milestone is reported as EA. Additionally, Tri-Party Agreement (TPA) Major and Interim milestones are EA milestones. TPA milestones that are not enforceable are called Target milestones and are included in the milestone tables found in the applicable Project Sections. Project Section tables encompass FY2001 through FY2006 milestones.

NOTABLE ACCOMPLISHMENTS

Spent Nuclear Fuel (SNF) Movement Activities ¾ During this reporting period, eight Multi-Canister Overpacks (MCOs) containing 49.24 Metric Tons of Heavy Metal (MTHM) were shipped from K West (KW) (86 MCOs and 423.48 MTHMs, cumulatively). To date, the Spent Nuclear Fuel (SNF) Project is 59 working days (31 MCOs, 124.52 MTHM) behind the baseline schedule commitment to move 720.1 MTHM by the end of fiscal year (FY) 2002.

MCO and MCO Basket Fabrication Shop ¾ MCO and MCO basket production continued with sufficient lead-time to ensure no interruption to the fuel packaging process. Two hundred and thirty-six MCOs have been received onsite and are ready for issuance and 1,628 MCO baskets have been fabricated and are also ready to be issued.

TRU Program Recertification Audit ¾ ?All corrective actions from the June 2002 recertification audit of the Hanford TRU Waste Program have been completed and the associated corrective action reports closed by the Carlsbad Area Field Office.

TRU Waste Shipments ¾ Two shipments of TRU waste to WIPP have been approved - one in August and one in September.

Stabilization of Nuclear Material

Metals, Alloys, Oxides and Polycubes ¾ During July, 119 Bagless Transfer Containers (BTCs) were welded. As of July 31st a cumulative total of 753 BTCs have now been made in the 234-5Z and 2736-ZB facilities. In support of solutions, stabilization of Magnesium Hydroxide precipitated material, which began in mid April, was completed in late July. Polycube stabilization resumed July 9, 2002. As of July 31st, 6 polycube items have been run through the stabilization process.

Residues ¾ During the reporting period, 267,400 grams of Sand, Slag and Crucible (SS&C) were packaged into 33 Pipe Overpack Containers (POCs). Processing of SS&C continues to exceed the baseline schedule. Thirty POCs were shipped to the Central Waste Complex (CWC).

Solutions ¾ Solutions Stabilization activities at PFP were officially completed Monday, July 29, 2002, on swing shift. This major stabilization activity was completed two days ahead of the DNFSB Milestone (TRP-01-500) and 2½ months ahead of the baseline schedule.

Outer Can Packaging ¾ Packaging of the stabilized solution product was completed in late July. A total of 3221 liters have been placed in 3013 Containers, with 1070 liters dispositioned as direct discard or empties. Seventy-three 3013 Containers were produced during July with a fiscal-year-to-date total of 328.

PERFORMANCE DATA AND ANALYSIS

The following provides a brief synopsis of overall PHMC Environmental Management (EM) cost, schedule, and milestone performance.

FY 2002 Schedule and Cost Performance

Schedule Performance — There is a Fiscal Year (FY) 2002 year-to-date 0.1 percent ($4.1 million) unfavorable schedule variance that is within the established 10 percent threshold. Subprojects outside the threshold are 100 Area Cleanup, 300 Area Cleanup, 200 Area Remediation and Groundwater/Vadose Zone Integration. Detailed variance analysis explanations may be found in the applicable project section.

Cost Performance — FY 2002 year-to-date cost performance reflects a 0.6 percent ($2.4 million) unfavorable cost variance that is within the established 10 percent threshold. Subprojects outside the threshold with favorable variances are 100 Area Cleanup, 300 Area Cleanup, Advanced Reactor Transition, River Corridor Waste Management, 200 Area Remediation, Plutonium Finishing Plant, Groundwater/Vadose Zone Integration and Near Term Stewardship. These favorable variances are offset by an unfavorable nine percent variance in Spent Nuclear Fuel. Detailed variance analysis explanations may be found in the applicable project sections.

BASELINE PERFORMANCE STATUS
FY 2002 COST / SCHEDULE PERFORMANCE – ALL FUND TYPES
FY TO DATE STATUS ($M)
(FLUOR HANFORD, INC. ONLY)

DATA THROUGH JULY 2002

	Current Fiscal Year Performance ($ x Million)					Annual Budget
	FYTD			Schedule	Cost	
	BCWS	BCWP	ACWP	Variance	Variance	
River Corridor Restoration						
3.1.1 **100 Area Cleanup** RC01	0.4	0.3	0.2	(0.1)	0.1	1.8
3.1.2 **300 Area Cleanup** RC02	0.9	1.3	0.8	0.4	0.5	1.2
3.1.3 **Advanced Reactor Transition** RC03	1.5	1.5	1.1	0.0	0.4	1.9
3.1.5 **River Corridor Waste Mgmt.** RC05	2.9	3.1	2.5	0.2	0.6	3.7
3.1.6 **300 Area Facility Transition** RC06	31.1	33.1	30.5	2.0	2.6	38.5
Subtotal Restoration	**36.8**	**39.3**	**35.1**	**2.5**	**4.2**	**47.1**
River Corridor Final Closure and SNF						
3.2.3 **Spent Nuclear Fuel** RS03	140.5	135.1	147.7	(5.4)	(12.6)	172.3
Subtotal SNF	**140.5**	**135.1**	**147.7**	**(5.4)**	**(12.6)**	**172.3**
Central Plateau Transition						
3.3.1 **200 Area Remediation** CP01	9.5	8.3	7.2	(1.2)	1.1	18.7
3.3.2 **Waste Management** CP02	63.4	60.8	62.7	(2.6)	(1.9)	79.8
3.3.3 **Plutonium Finishing Plant** CP03	67.1	72.4	63.4	5.3	9.0	78.9
Subtotal Central Plateau	**140.0**	**141.5**	**133.3**	**1.5**	**8.2**	**177.4**
Site Integation & Infrastructure						
3.4.1 **Site Integration** SS01	24.3	24.3	22.8	0.0	1.5	29.8
3.4.2 **Landlord & Site Services** SS02	70.8	68.0	72.5	(2.8)	(4.5)	89.5
3.4.3 **Groundwater Monitoring** SS03	0.1	0.1	0.1	0.0	0.0	0.5
3.4.4 **GW/VZ Integration** SS04	0.6	0.5	0.3	(0.1)	0.2	3.0
3.4.5 **HAMMER** SS05	3.9	4.1	3.7	0.2	0.4	5.2
Subtotal Site Integration	**99.7**	**97.0**	**99.4**	**(2.7)**	**(2.4)**	**128.0**
Site Stewardship						
3.5.1 **Near Term Stewardship** SC01	0.7	0.7	0.5	0.0	0.2	1.4
Subtotal Stewardship	**0.7**	**0.7**	**0.5**	**0.0**	**0.2**	**1.4**
Total PHMC Projects	**417.7**	**413.6**	**416.0**	**(4.1)**	**(2.4)**	**526.2**

Notes: Column headings [Budgeted Cost of Work Scheduled (BCWS), Budgeted Cost of Work Performed (BCWP), etc.] are defined in the glossary at the end of the report. The data is from Hanford Data Integrator (HANDI) reports. The Annual Budget is FY2002 workscope only and does not include prior year scope. The ACWP may include cost of workscope budgeted in prior years.

BASELINE PERFORMANCE STATUS CONTRACT TO DATE ($M) (FLUOR HANFORD, INC. ONLY)

The following table portrays the Fluor contract to date cost and schedule performance.

DATA THROUGH JULY 2002

		Contract to Date Performance ($ x Million)					Contract Period Budget
		CTD			Schedule Variance	Cost Variance	
		BCWS	BCWP	ACWP			
River Corridor Restoration							
3.1.1	**100 Area Cleanup** RC01	0.4	0.3	0.2	(0.1)	0.1	1.8
3.1.2	**300 Area Cleanup** RC02	2.1	2.4	2.0	0.3	0.4	33.1
3.1.3	**Advanced Reactor Transition** RC03	3.3	3.2	2.3	(0.1)	0.9	7.7
3.1.5	**River Corridor Waste Mgmt.** RC05	7.3	7.5	6.5	0.2	1.0	27.1
3.1.6	**300 Area Facility Transition** RC06	76.7	77.5	73.0	0.8	4.5	340.1
	Subtotal Restoration	**89.8**	**90.9**	**84.0**	**1.1**	**6.9**	**409.8**
River Corridor Final Closure and SNF							
3.2.1	**S. Hanford Industrial Area**	0.0	0.0	0.0	0.0	0.0	6.5
3.2.3	**Spent Nuclear Fuel** RS03	317.3	305.8	314.5	(11.5)	(8.7)	656.1
	Subtotal SNF	**317.3**	**305.8**	**314.5**	**(11.5)**	**(8.7)**	**662.6**
Central Plateau Transition							
3.3.1	**200 Area Remediation** CP01	15.6	13.7	12.9	(1.9)	0.8	201.6
3.3.2	**Waste Management** CP02	167.4	160.3	158.0	(7.1)	2.3	606.0
3.3.3	**Plutonium Finishing Plant** CP03	174.6	172.9	166.9	(1.7)	6.0	459.0
	Subtotal Central Plateau	**357.6**	**346.9**	**337.8**	**(10.7)**	**9.1**	**1266.6**
Site Integation & Infrastructure							
3.4.1	**Site Integration** SS01	41.4	41.1	38.7	(0.3)	2.4	175.5
3.4.2	**Landlord & Site Services** SS02	121.7	118.0	121.4	(3.7)	(3.4)	533.2
3.4.3	**Groundwater Monitoring** SS03	0.1	0.1	0.1	0.0	0.0	8.5
3.4.4	**GW/VZ Integration** SS04	0.6	0.5	0.3	(0.1)	0.2	57.4
3.4.5	**HAMMER** SS05	10.3	10.1	9.4	(0.2)	0.7	29.6
	Subtotal Site Integration	**174.1**	**169.8**	**169.9**	**(4.3)**	**(0.1)**	**804.2**
Site Stewardship							
3.5.1	**Near Term Stewardship** SC01	1.8	1.8	1.1	0.0	0.7	5.6
	Subtotal Stewardship	**1.8**	**1.8**	**1.1**	**0.0**	**0.7**	**5.6**
	Total PHMC Projects	**940.6**	**915.2**	**907.3**	**(25.4)**	**7.9**	**3148.8**

Notes: Contract period budget reflects the contractual funding profile (FY01 – FY06) plus/minus approved Baseline Change Requests. Planned scope transfers to the River Corridor Contractor will be included once the transfers take place.

FUNDS MANAGEMENT
FUNDS VS. ACTUAL COSTS ($000)

This chart reflects the FH Project structure. This breakout is necessary to provide FH project managers with information specific to their areas of responsibility and accountability and to facilitate effective management of the funds within their control (obligated to the PHMC).

FH has taken proactive actions to overcome the significant work scope and funding challenges in FY 2002. Although the project completion control point currently reflects a projected $3.5M overrun, spending controls are expected to further reduce project forecasts and result in additional overhead passback distributions. FH continues to aggressively pursue cost reductions and has instituted hiring restrictions along with a corporate review/approval of all procurements. These actions will further reduce spending and will better align project resources to FY 2003 funding levels. Even without additional actions, trends indicate that the PHMC costs will not exceed available funds in any control point.

Project	PBS	Expected Funds	Project July Forecast	Project Completion	Post 2006	Other
Spent Nuclear Fuel	RS03	$176,389	$182,839	($6,450)		
Plutonium Finishing Plant	CP03	$84,553	$82,896	$1,657		
	CP03	$570	$545			$25
Subtotal PFP		$85,123	$83,441	$1,657		$25
Central Plateau Remediation	RC06	$37,408	$37,026	$382		
	RC02	$8	$0		$8	
	RC01	$1,793	$1,855		($62)	
	CP01	$18,014	$15,544		$2,470	
	RS01	$0	$0		$0	
	SS03	$563	$813		($250)	
	SS04	$3,070	$2,550		$520	
Subtotal CP		$60,856	$57,788	$382	$2,686	
Waste Management	CP02	$81,118	$80,341	$777		
(340 Deactivation)	RC02	$987	$906		$81	
(310 TEDF)	RC05	$2,962	$2,998		($36)	
Subtotal WM		$85,067	$84,244	$777	$45	
Advanced Reactor	RC03	$2,285	$1,467			$818
Landlord & Site Services	SS02	$91,912	$91,762	$150		
HAMMER	SS05	$5,503	$4,618		$885	
Site Integration	SS01	$27,952	$28,101		($149)	
Near Term Stewardship	SC01	$1,308	$886		$422	
SUBTOTAL EXPENSE		**$536,395**	**$535,146**	**($3,484)**	**$3,889**	**$843**
ADJUSTMENTS						
Indirect Variance Distribution			($2,013)	$1,572	$193	$248
Procurement & Labor Constraints			($2,760)	$2,500	$260	
SUBTOTAL ADJUSTMENTS			**($4,773)**	**$4,072**	**$453**	**$248**
TOTAL EXPENSE		**$536,395**	**$530,373**	**$588**	**$4,342**	**$1,091**

MILESTONE PERFORMANCE

Milestones represent significant events in project execution. They are established to provide a higher level of visibility to critical deliverables and to provide specific status about the accomplishment of these key events. Because of the relative importance of milestones, the ability to track and assess milestone performance provides an effective tool for managing the PHMC EM cleanup mission. These milestones are consistent with the FH contract.

FYTD milestone performance (Enforceable Agreement [EA], U.S. Department of Energy- Headquarters [DOE-HQ], and RL) shows that nine milestones were completed on or ahead of schedule, one milestone was completed late, and three milestones are overdue.

In addition to the FY2002 milestones described above, there is one overdue milestone from FY2001 [PFP (Section J)]. Further details regarding this milestone may be found in the referenced Project Section.

FY 2002 information is depicted graphically on the following page. For additional details related to the data, prior year milestones, and outyear milestones, refer to the relevant project section titled "Milestone Achievement."

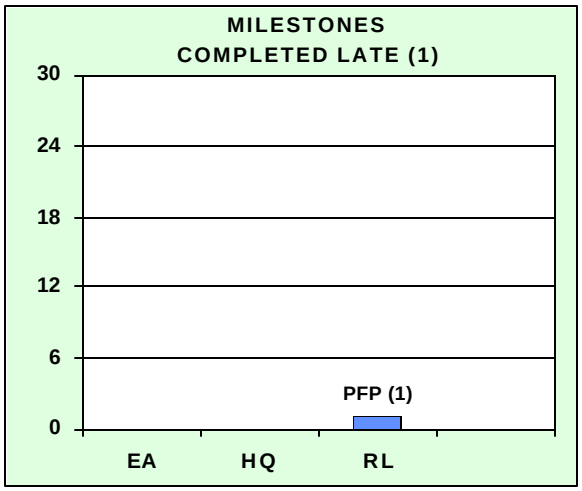
FY 2002 information reflects the September 30, 2001 baseline as updated for RL approved changes. Changes in both the number and type of milestones from month to month are the result of Baseline Change Requests (BCRs) approved during the year.

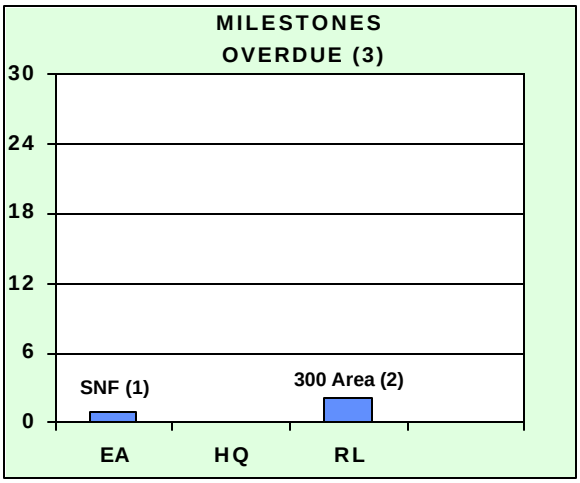
TOTAL ALL HANFORD PROJECTS
MILESTONE ACHIEVEMENT
FH Contract Milestones

MILESTONE TYPE	FISCAL YEAR-TO-DATE				REMAINING SCHEDULED			Total FY 2002
	Completed Early	Completed On Schedule	Completed Late	Overdue	Forecast Early	Forecast On Schedule	Forecast Late	
Enforceable Agreement	3	1	0	1	0	0	0	5
DOE-HQ	1	0	0	0	0	0	1	2
RL	3	1	1	2	0	1	1	9
Total Project	7	2	1	3	0	1	2	16

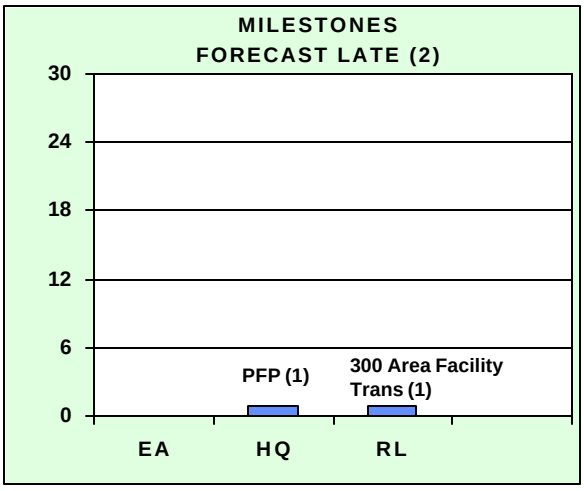
MILESTONE EXCEPTIONS

FISCAL YEAR TO DATE





REMAINING SCHEDULED



These charts provide detail by project and milestone level / type for milestones
- Completed Late
- Overdue
- Forecast Late
- Detailed information can be found in the individual project sections

SAFETY OVERVIEW

The focus of this section is to document trends in occurrences. Improvements in these rates are due to the efforts of the PHMC workforce as they implement the Integrated ES&H Management System (ISMS), work towards achieving Voluntary Protection Program (VPP) "star" status, and accomplish work through Enhanced Work Planning (EWP). Safety and health statistical data is presented in this section. The safety charts are reported according to OSHA standards. Current calendar year data continue to be corrected as further days accumulate on any work restrictions or lost days, or when cases are reclassified.

Significant Safety and Health Events

PHMC Level

Occupational Safety & Health Administration (OSHA) Recordable Case Rate: The FH Team OSHA Recordable Rate is stable at the current baseline of 1.5 cases per 200,000 hours, better than the DOE CY 2001 rate of 2.3. Current Bureau of Labor Statistics rate for all U.S. industry = 6.7 (1996 - 2000). Data are statistically stable and are beginning to show signs of improvement. FH project specific Safety Improvement Plan efforts are showing early signs of further reducing injuries, with the past five month's OSHA Recordable Rates below the 1.5 average. If August and September are below average, FH will finish FY 2002 with the past seven months below average; a significant decrease. There has been a routine, seasonal increase in the First Aid Case rate for June and July 2002.

Days Away From Work Case Rate: The current safe work hour count for the FH Team is 6.9 million hours. The past nine months have been below average (at zero) and the FYTD rate is 0.04. The DOE CY 2001 rate is 0.45 cases per 200,000 hours worked.

DOE Safety Cost Index: The FH Team's DOE Safety Cost Index is stable at the current baseline average of 3.8 cents per hour worked. The current baseline is less than the DOE CY 2001 rate of 9.7 cents. The data are stable on the new, improved baseline rate. The low Safety Cost Index for FH is the result of the low severity of the injuries being experienced on the projects.

Subproject Level

The **Plutonium Finishing Plant (PFP)** subproject has accumulated 689,000 safe hours. The PFP DOE Safety Cost Index for April 2002 has increased due to a case that is accumulating restricted work activity. Injury reductions efforts are improving the PFP OSHA Recordable Case Rate and data since April have returned to baseline.

The **300 Area Facility Transition** (WBS 3.1.6) subproject (formerly called the River Corridor Project) has achieved 512,000 safe work hours. The OSHA Recordable Case Rate remains stable at the current baseline average of 1.9 cases per 200,000 hours worked. No new OSHA recordable cases have been reported since April 2002. The DOE Safety Cost Index is stable at a value of 3.7 cents per hour.

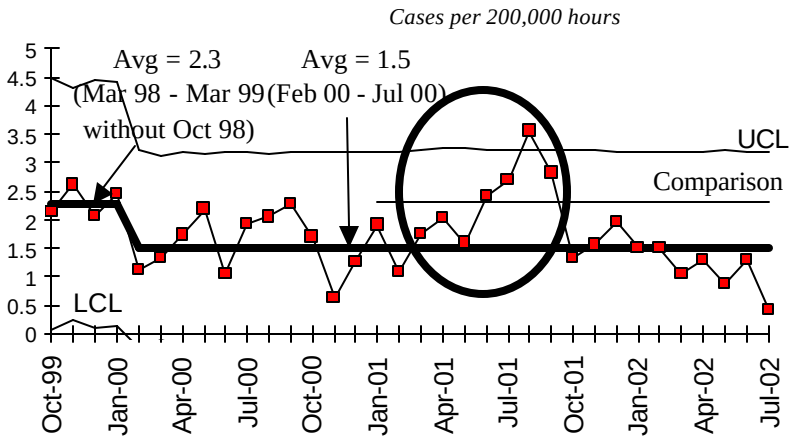
The **Spent Nuclear Fuel (SNF) Project** has achieved 4.9 million safe work hours, and should reach five million hours in August. Significant increases occurred in the SNF OSHA Recordable Case Rate and DOE Safety Cost Index in June 2002, but data returned to normal in July.

The **200 Area Materials and Waste Management** (WBS 3.3.2) subproject (formerly called the Waste Management Project) has achieved 3.9 million safe work hours and should reach four million hours in August. The OSHA Recordable Case Rate remains stable at 0.8 cases per 200,000 hours worked; the lowest of the FH project rates. No new OSHA recordable cases have been reported since February 2002.

Due to space constraints, FY 1996 through FY 1998 data is not portrayed on the following graphs.

Total OSHA Recordable Case Rate

Green

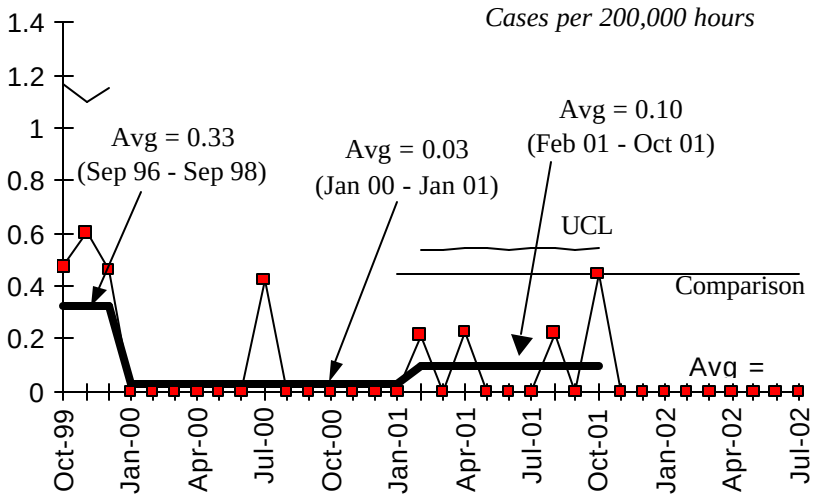


FY 2001 = 1.9
FY 2002 to date = 1.3
DOE Complex Comparison Average = 2.3 (CY01)

The FH Team Safety Summit injury reduction efforts are showing signs of continuous improvement. The FH Team is currently operating at less than a 1.5 average since March.

OSHA Days Away from Work Case Rate

Green

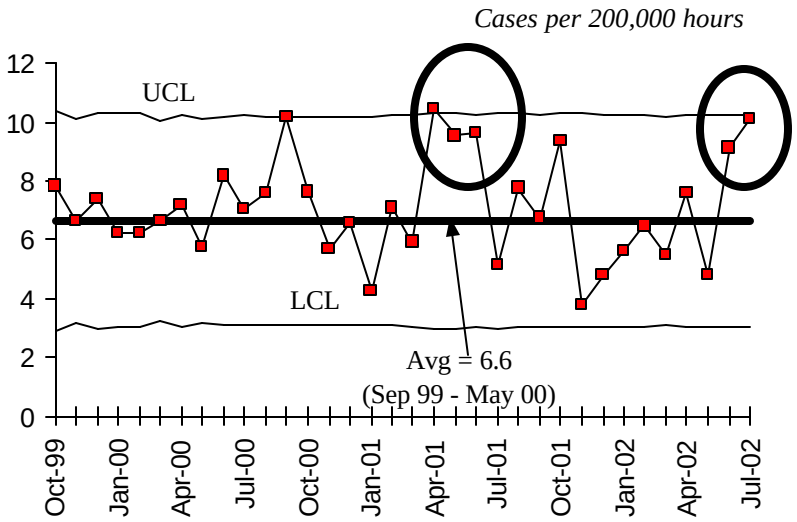


FY 2001 = 0.05
FY 2002 to date = 0.04
DOE Complex Comparison Average = 0.45 (CY01)

The current safe work hour count for the FH Team is 6.9 million hours. The graph has been baselined to an average of zero.

First Aid Case Rate

Green

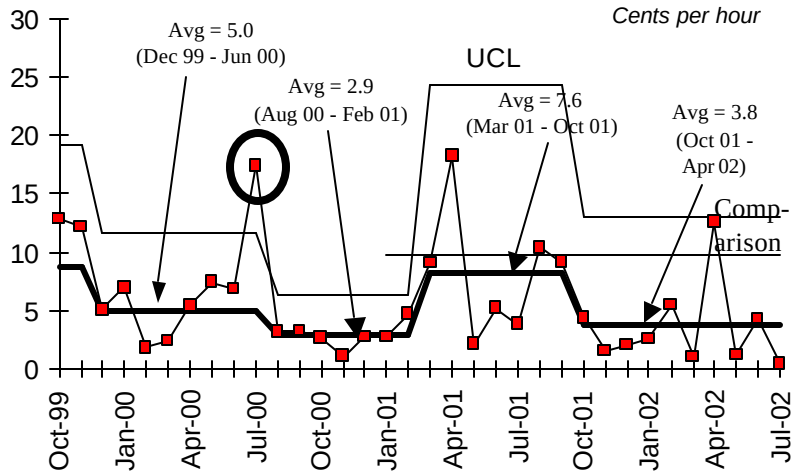


First Aid Rate undergoes seasonal cycles. Increases occur in warmer weather due to insect and animal encounters, and due to wind related minor injuries. Such an increase has occurred for June and July 2002. Hanford is especially susceptible to wind borne debris injuries due to the site wildfire in June 2000. First Aid case rate has remained relatively stable.

Fiscal year calculations are not included as DOE does not publish a comparison rate, and comparisons of partial fiscal year data to prior years would not be appropriate due to the routine cyclical trends in the data.

DOE Safety Cost Index

Green



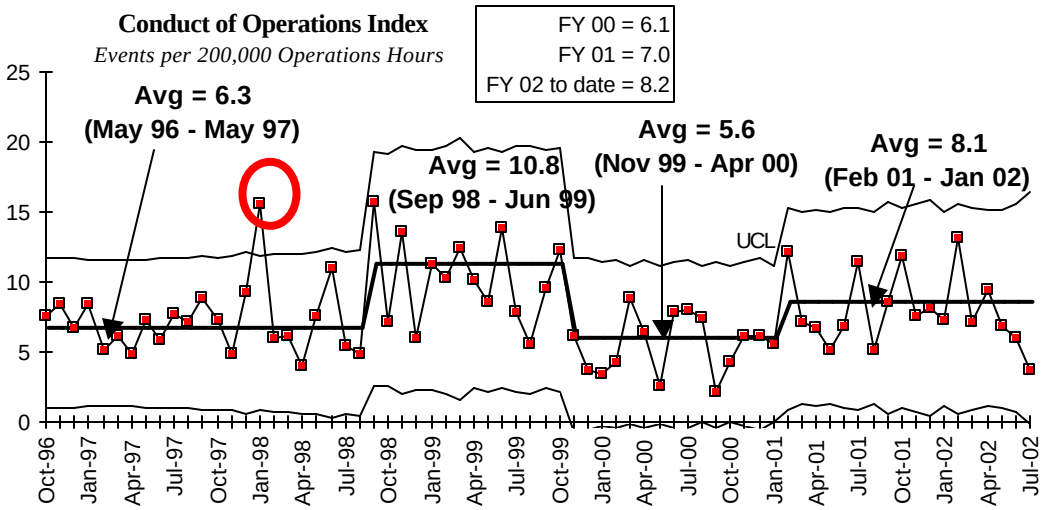
FY 2001 = 5.9
FY 2002 to date = 3.5
DOE Complex Comparison
Average = 9.7 (CY01)
The baseline average was adjusted from 3.5 to 3.8 due to gain of further restricted days on cases within the baseline.

Current Calendar Year data continue to be corrected as further days accumulate on any work restrictions or lost days.

CONDUCT OF OPERATIONS

The current baseline increased from 7.9 to 8.1 due to reports during the baseline time interval receiving root cause information updates.

The current month tends to be artificially low as it can take up to 45 days to assign a root cause to an occurrence report, and the majority of the event types in the index are root cause generated.



BREAKTHROUGHS / OPPORTUNITIES FOR IMPROVEMENT

Breakthroughs

Monolithic Removal of 327 Hot Cells — In order to support accelerated 300 Area closure, decommissioning and demolition is being integrated with deactivation activities where practical. Intact removal of the 327 hot cells appears to be technically feasible, to have potentially significant ALARA benefits, and to result in schedule/cost reduction. Certification that the hot cells can be disposed of as non-Transuranic waste is key to adopting monolithic removal as the technical baseline. In support of this initiative, Accelerated Site Technology Deployment (ASTD) funding ($935K) was obtained to purchase in-situ characterization instruments that will lead to the eventual low-level waste certification. The gamma camera (Cartogam) and Neutron Detection Instrument Pod are available for deployment in the hot cells. As required by the project Quality Assurance Plan, the systems were receipt-inspected by Acceptance Verification Services. Operator training is scheduled prior to conducting a non-destructive analysis.

Non-destructive Examination (NDE) of Contamination in the KE Basin Walls and Floors — A significant activity necessary to deactivate the 100 Area KE Basin is to characterize the level of contamination in the basin's unsealed concrete walls and floor. This characterization data will be used to help determine the methods to be applied in completing the deactivation of the basin, once fuel and sludge have been removed.

The SNF Project will be using nondestructive (gamma scanning) technique and detector system, developed by the Pacific Northwest National Laboratory, to acquire data on the depth of radionuclide penetration in the basin's concrete walls and floors. This is the first time the NDE technique will be used to obtain characterization data with the facility in normal operation, with its full inventory of fuel, sludge and contaminated water. If successful, the data will be used, in conjunction with other information, to determine which deactivation methods can realistically be used to remove/reduce the radiological

dose/contamination, as well as to determine which basin areas are in the greatest need of mitigation. This detection system has been deployed into the KE Basin and is being used to obtain background data. Data gathering is expected to be complete by September 30, 2002.

Reduction in processing at PFP — Approximately 1.5 metric tons of bulk mixed oxides originally thought to require thermal stabilization and packaging have been selected for discard as a result of investigations into their plutonium content. The database from which the original stabilization inventory was developed included uranium and plutonium to drive the net weights for these items. However, a more in depth investigation revealed a less than 30 wt percent plutonium. These items are the subject of a Safeguards Termination Limit (STL) request that is currently in approval at RL.

Information Resource Management — FH Contracts, General Accounting, Benefits Accounting, and Business Management Systems groups were added as users to the VKC/IDMS interim production environment in addition to the CH2M HILL Hanford Group, Inc. (CHG) technical procedures group, the FH Environmental Permitting Group, and the FH Technical procedure writers. Additional advance users have requested access. These requests will be addressed based on system capacity. This system has significant potential to improve Hanford user productivity through automating document-intensive workflows, electronic signatures, portals, and knowledge management tools.

Information Resource Management — The installation and activation of the 200 East AP Tank Farms wireless Hanford Local Area Network (HLAN) system has been completed. The project was very successful and has allowed for wireless access of HLAN in AP, AN, and AY Tank Farms in 200 East Area of Hanford. This infrastructure allows customer access to Site information and applications via laptop computers and has been embraced by Tank Farms personnel and credited with reducing time required to access and input data into HLAN databases. Because of the success of this project the customer has requested a conceptual design and estimate for wireless HLAN coverage in various areas and buildings in the 200 East and 200 West Areas of Hanford.

Voluntary Protection Program (VPP) — Hanford Site Operations has submitted a Voluntary Protection Program (VPP) application to RL. This is an outstanding achievement because of the significant reorganization that was accomplished last October. That reorganization consolidated Site Infrastructure, Analytical Services, Information Resource Management, Emergency Services, Account Management, and Project Maintenance Center activities. Additionally, the organization assumed responsibility for HAMMER and Hanford Training this spring. This application, in concert with the Integrated Safety Management System, reflects the dedication to safety improvement through employee involvement and managerial commitment.

Opportunities for Improvement

Witness Model — At SNF, the baseline witness model has been produced and used for production capability assessment. The model is a useful tool in evaluating the knowledge of the project, critical path and in prioritizing actions to reduce the critical path length. The model is being updated with additional detail to more accurately reflect the project's new critical path. It will continue to be periodically updated and used for confirmation of the critical path and actions to reduce the critical path. All modifications are expected to be complete by September 30, 2002.

Inventory Control — PFP and contractor staffs have identified opportunities for improving the material control and accountability (MC&A) inventory process at the PFP. The MC&A Process Improvement Plan draft report is currently being prepared and is now scheduled for final approval and release by the end of August 2002.

Processing Improvement — The PFP Stabilization & Packaging Equipment (SPE) process qualification plan was submitted to RL. This plan will enable the SPE system, once qualified, to perform Loss on Ignition (LOI)/ Thermogravimetric Analysis (TGA) on a representative sampling of canned items rather than on all canned items. Representative sampling is significant since the processing throughput is

limited more by the LOI/TGA measurement throughput than either furnace or canning capacity. Comments from the Third Party Review Team on the Process Qualification package were received in July. Final resolution to comments will complete in August and the document revised, support data collected, and transmittal for approval completed by August 23, 2002.

Environmental Compliance Program — Environment and Regulation staff are providing support to the Central Plateau Remediation Project on an initiative to obtain U.S. Environmental Protection Agency (EPA) approval to utilize a regulatory exemption that would eliminate the need to obtain EPA Notice of Construction approvals for National Emission Standards for Hazardous Air Pollutants (NESHAP) non-major sources. This would be a necessary first step to gaining similar approval from the Washington Department of Health. Obtaining such relief would save in permitting costs, and more importantly, eliminate some of the schedule challenges we presently face.

Information Resource Management — IRM is in the design phase of a project to deploy HLAN services to the Wye Barricade. This is a special project because deploying HLAN to remote buildings has been cost prohibitive in the past, but now with recent technologies advancements in High-bit Digital Subscriber Line (HDSL) systems, HLAN can be delivered to the Wye Barricade at a fraction of previous estimates by taking advantage of existing copper telephone facilities. With the completion of this project, Hanford Patrol personnel at the Wye Barricade will have the same high-speed access to HLAN resources as those at other Hanford facilities.

Training — A new Web-based training (WBT) version of the asbestos awareness annual refresher course was implemented on the Hanford WBT/Online training July 30, 2002. The implementation of this WBT has the potential annual savings of $86K. The savings is realized by a decrease in the amount of time to complete the training, including student time away from work, and a decrease in course tuition. In addition to annual savings, completing the design in-house minimized initial costs.

Issues

Accelerated schedule for Pressurized Water Reactor (PWR) fuel assembly shipments — Meeting the accelerated 324 schedule for five PWR fuel assembly shipments by September 30, 2002 vs. December 2002 necessitates recovering lost time. The Readiness Assessment and all pre-start conditions for the removal of 324 Spent Nuclear Fuel are complete and fuel handling has begun.

SNF MCO number 63 fails integrity test — The MCO is under surveillance in Bay two of the Cold Vacuum Drying Facility. A report has been prepared and issued by the Pacific Northwest National Laboratory (PNNL) and recommendations to reduce the potential for future leaks are under evaluation. The overall recommended plan for disposition of the MCO will be issued for final approval in August 2002.

Equipment reliability is a challenge for sustaining SNF movement — Continued equipment failures may negatively impact meeting fuel movement commitments. Fluor consulting personnel continue to evaluate unit operations for efficiency improvements. A number of recommendations have already been incorporated into the KW manipulator repair program and have resulted in maintenance staff-hour savings.

EM Corporate Performance Measures

This information is provided quarterly.

EM Life Cycle Performance Measures

This information is provided quarterly.

UPCOMING PLANNED KEY EVENTS

The following key events are extracted from the authorized baseline and are currently expected to be accomplished during the next several months. Most are Enforceable Agreement (EA), DNFSB or DOE-HQ Milestones.

300 Area Remediation

Spent Nuclear Fuel (SNF) — Accomplish accelerated schedule of five Pressurized Water Reactor (PWR) spent fuel assembly shipments by September 30, 2002.

Contract Transition — Support transfer of FH scope to River Corridor Closure Contract (RCCC). Received a modification that changed the date from July 1, 2002, to "at direction of the contracting officer."

Spent Nuclear Fuel

Site-Wide Activities — Ship Neutron Radiography Facility (NRF) Training, Research and Isotope Production, General Atomics (TRIGA) fuel to 200 Area ISA in August 2002.

Site-Wide Activities — Receive initial Shippingport Fuel at Canister Storage Building (CSB) in August 2002.

Fuel Transfer System (FTS) — Begin Operational Test Procedures in August 2002.

FTS — Complete Construction Acceptance Tests (CAT) by August 7, 2002 (July 31, 2002 date slipped due to unanticipated interferences and startup problems).

FTS — Complete Acceptance Test Procedures (ATP) by August 20, 2002.

FTS — Complete FTS walkdown and sign-off Construction Completion Document, Section 1A by August 21, 2002 (M-34-29).

FTS — Acceptance for beneficial use by August 30, 2002.

FTS — Complete contractor Operational Readiness Review (ORR) in September 2002.

Sludge Water System (SWS) — Receive cask and container for sludge in September 2002.

SWS — Complete construction of SWS by October 2002 (M-34-12-T01 due September 30, 2002).

FTS — Complete RL ORR in October 2002.

FTS — Begin KE to KW fuel transfer scheduled for mid-October 2002 (M-34-17) by November 30, 2002.

SWS — Complete ORR in November/December 2002.

SWS — Operational by December 31, 2002 (M-34-08).

Fuel Movement — Complete removal of 957 MTHM from KW Basin by December 31, 2002 (M-34-18A).

MCO Welding — Begin welding of MCOs at CSB by February 3, 2003.

200 Area Remediation

Equipment Disposition Project — Ship the Ion exchange columns by August 2002.

200 Area Shutdown Facilities — Complete installation of new roofs on PUREX & B Plant by November 30, 2002.

Waste Sites — Submit 200-TW-1 Scavenged Waste Group and 200-TW-2 Tank Waste Group OU RI Report to EPA & Ecology by October 30, 2002. Submit 1 200 NPL RI/FS Work Plan for the 200-IS-1 tanks/liners/pits/diversion boxes OU by December 31, 2002.

200 Area Materials & Waste Management

Accelerate Readiness to Receive SNF K Basin Sludge — 1) Continue Contractor ORR for movement of Shippingport (PA) fuel, 2) Support activities to receive and store K Basin sludge, and 3) Accelerate T Plant Canyon cell cleanout.

MLLW Treatment — Continue shipping waste to ATG under the new non-thermal treatment contract. Continue on-site treatment and direct disposal activities. These include disposal of about 80 m^3 of PFP HEPA filters from the CWC inventory. Establish a contract with Perma-Fix to perform the thermal desorption technology demonstration. Begin shipping waste that requires thermal treatment to Perma-Fix for the demonstration.

TRU Waste Shipment — A shipment of 42 TRU drums to WIPP is planned for August 22, 2002. The shipment will contain the first mixed TRU waste to be shipped from Hanford to WIPP. Another shipment of 42 drums is planned for September 16, 2002.

TRU Waste Retrieval — Continue preparations for the TRU Retrieval mockup. Place the drums in the trench, backfill, and excavate to demonstrate excavation techniques. Expect to incorporate the Documented Safety Analysis (DSA) comments and resubmit to RL in October 2002. Beginning preparations and staffing up for startup readiness activities to occur late fall, 2002.

Plutonium Finishing Plant Support — Continue to support residues processing with shipment of the new Sand, Slag and Crucible waste stream through FY 2003.

300 Area Cleanup Support — Continue support to the 324 Fuels Removal Project, 327 Facility Cleanout, and the 300 Area Accelerated Closure Project.

Waste Encapsulation and Storage Facility (WESF) Operations — Complete the K-1 filter change and the K-3 duct repair. Dispose of radiologically contaminated waste cask trailer. Support the accelerated capsule disposition initiative.

Liquid Waste Processing — Continue wastewater processing through the 200 Area ETF. A maintenance outage is planned at the ETF in August 2002. Preparations are underway to start Evaporator campaign 02-1 on September 9, 2002. The second campaign that was planned for FY 2002 was re-scheduled to October by CHG.

Plutonium Finishing Plant

Nothing significant to report.